



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.08

Voluntary Report - public distribution

Date: 4/20/2004

GAIN Report Number: KE4005

Kenya

Grain and Feed

Kenya Wheat Update Report 2004

Approved by:

Fred Kessel
U.S Embassy

Prepared by:

Mary Onsongo

Report Highlights:

Kenya recorded 196,000 tons of wheat for MY 2003/04 against an estimated annual consumption of 700,000 tons. The shortfall is met by imports from different origins. A modest increase of 197,000 tons of wheat is forecast for MY 2004/05. The increase is attributed to favorable weather conditions.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Nairobi [KE1]
[KE]

Production

Normal to relatively abundant rains has been reported in the past one month in most of the wheat growing areas in Kenya. Precipitation has been generally widespread in the main wheat growing areas of Uasin Gishu, Narok, Nakuru and Timau Districts. Despite localized floods in some of these areas, growing conditions are generally favorable for crop development.

Harvesting of the 2003 wheat crop has been completed and aggregate wheat production is provisionally estimated at 2.18 million bags (196,000 tons) for MY 2003/04. Assuming that rainfall will be about average for the remaining part of the growing season wheat output for MY 2004/05 is forecast at 2.19 million bags (197,100 tons).

Wheat prices

For the season just concluded wheat producer prices averaged 242 – 256 USD per ton for the hard wheat and 206 – 227 USD per ton for soft wheat. Wheat prices are forecast to remain within similar ranges for the harvest commencing in July/August, 2004. Presently import prices average 284 USD per ton.

Despite the good prices experienced during the last two years area is unlikely to increase since maize the most commonly switched crop had good prices. Improved husbandry is likely to be effected due to the good prices and a marginal production increase might be recorded.

Wheat Imports

Kenya produced 196,000 tons against an estimated annual consumption of 700,000 tons (imports and production). The shortfall is met by imports from different origins. Russia and Ukraine appear as promising new origins. Kenya imported 461,000 tons of wheat during 2003, a figure that is expected to increase slightly during 2004 (600,000). Wheat import taxes are 25 %.

Kenya Wheat Imports - Jan to December 2003		
Country	Quantity (tons)	% Sales
India	22,942.00	5.0
China	27,380.00	5.9
USA	52,557.00	11.4
Canada	10,057.92	2.2
Russia	96,761.00	21.0
Pakistan	125,831.00	27.2
Ukraine	33,700.00	7.3
Australia	23,405.17	5.1
United Kingdom	33,300.00	7.2
Romania	10,250.00	2.2
Lithuania	17,197.00	3.7
Germany	8,388.68	1.8
	461,769.76	100.0